



# **Innovations in Supply Chain Management**

**Performance Track Member's Event**

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# Who We Are

**Bristol-Myers Squibb Company is a  
\$18 billion global pharmaceutical and related health  
care products company whose mission is to  
extend and enhance human life**

*Approximately 44,000 employees around the world*

**Worldwide Medicines**  
Prescription Pharmaceuticals

*% 2002 Global Sales*

**~ 81%**

**Nutritionals**  
Mead Johnson

**~ 10%**

**Other Healthcare**  
Convatec (ostomy & modern wound care)  
Medical Imaging  
Consumer Medicines (US/Japan)

**~ 9%**

# **The Bristol-Myers Squibb Pledge**

## ***A Living Statement***

- **To our customers**

*We pledge excellence in everything we make and market, providing the safest, most effective and highest-quality medicines and health care products...*

- **To our colleagues**

*We pledge personal respect, fair compensation and honest and equitable treatment...*

- **To our suppliers & partners**

*We pledge courteous, efficient and ethical behavior and practices; respect for your interests; and an open door...*

- **To our shareholders**

*We pledge dedication to increasing the shareholder value of your company...*

- **To the communities where we live and work ...**

*We pledge conscientious citizenship, a helping hand for worthwhile causes and constructive action that supports a clean and healthy environment...*

# Our Stated Values

## **BMS Pledge** To Our Suppliers and Partners

“We pledge courteous, efficient, and ethical behavior and practices; respect for your interests; and an open door. We pledge to build and uphold the trust and goodwill that are the foundation of successful business relationships”



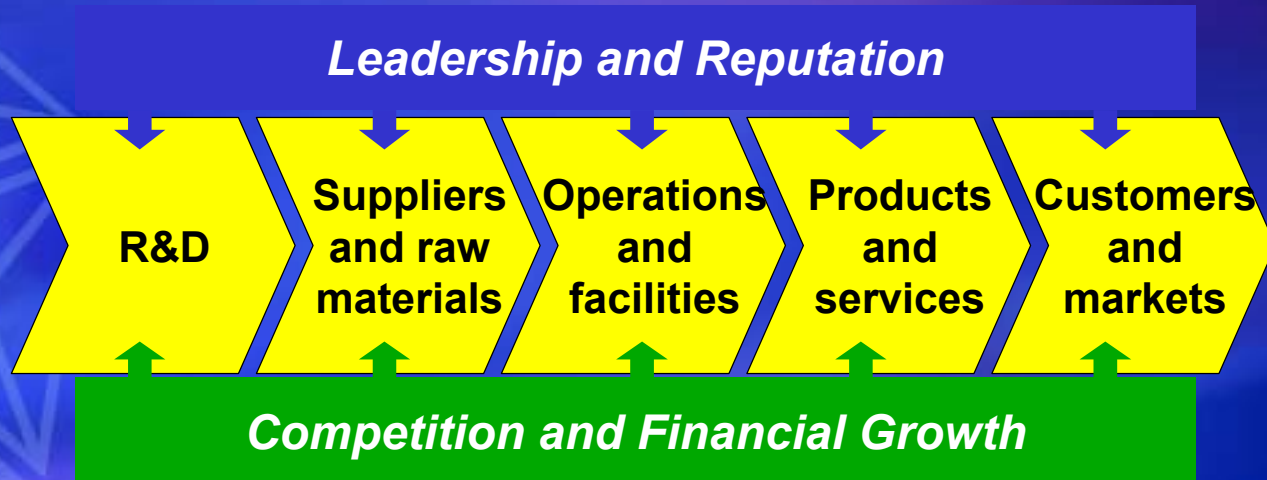
## **EHS Codes of Practice** Contractors and Suppliers

“Each business function and facility will encourage suppliers and contractors to adopt EHS policies and practices consistent with our own and to demonstrate a commitment to environmentally-responsible products, services and management....”



# Business Benefits

- Reduce our environmental footprint across the Value Chain




- Leverage our knowledge and expertise with small and mid-sized companies - **Business Helping Business**

# Examples of Suppliers

- Raw Materials
- Chemicals
- Third Party manufacturers
- Laboratory supplies
- Packaging
- Construction/Engineering
- Services
- Utilities
- Government
- Research organizations
- In-licensed products
- Transportation

# Innovations with Suppliers

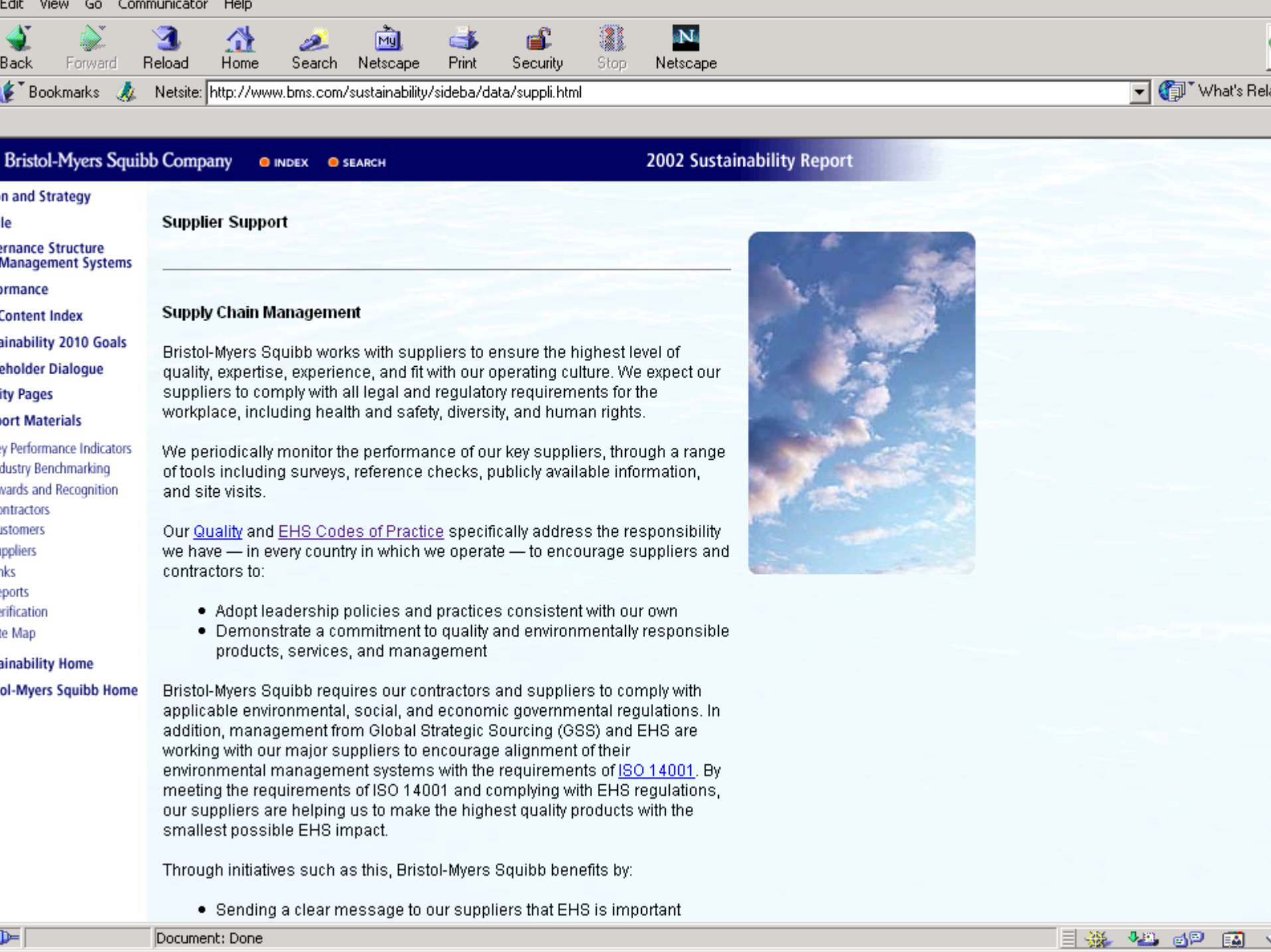
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- **Partnership**
  - **Dialogue and engagement**
  - **Purchasing Guidelines**
  - **Sustainability 2010 goals**

# Dialogue With Suppliers

- Letters encouraging environmental management systems sent to 15,000 suppliers
- Sustainability report sent to EHS representative of 30 largest suppliers
- Interact with internal BMS environment committee (e.g., public utility; chemicals; corrugated; office furniture)
- Section of Web site report devoted to supplier support [www.bms.com/sustainability](http://www.bms.com/sustainability)





# Purchasing Guidelines

- **EHS Integration**

## **Master Supply Agreement for Third Party Manufacturing**

### ***EHS Considerations (examples)***

- Safety and toxicity information
- Process information
- Process waste/wastewater
- Occupational exposure limits
- Potential health effects

# **EHS Evaluation of Third Party Manufacturers**

- **Developed an EHS questionnaire for key contractors and suppliers**
- **Based on questionnaire results, we may conduct a site evaluation**
- **The evaluation team will make recommendations and work with the supplier**
- **Selection criteria includes EHS considerations**

# Success Stories

- **Solvent Substitution**
- **Packaging Changes**
- **Lab Bottle/Take Back/Reuse**
- **Corrugated Recycled Content**



# **Future Plans and Activities**

## **Sustainability 2010 Goals**

- Partner with suppliers in reducing packaging while increasing environmentally preferable materials
- Encourage progress of major suppliers to have an environmental management system in place by 2010
- Capture innovations on our internet site to support our suppliers [www.bms.com/sustainability](http://www.bms.com/sustainability)
- Continuous innovation to improve our performance



# Conclusion

## Innovations in Supply Chain Management can ...



Support reducing overall impact by assisting smaller companies in adopting an EHS management system

Send a clear message to suppliers that EHS is important

Strengthen ability to encourage EHS performance among supplier partners

Reinforce business relationship while fostering practices for the greater common good

Improve our performance and support business growth